

HOUSE BILL 1253

By Curtiss

AN ACT to amend Tennessee Code Annotated, Title 56,  
relative to health insurance carriers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 1, Part 1, is amended by  
adding the following language as a new, appropriately designated section:

Section \_\_\_\_.

(a) As used in this section:

(1) "Block of business" means individual, group, or blanket disability  
insurance contracts covering hospital, medical, or surgical expenses of a  
particular policy form that has distinct benefits or marketing methods;

(2) "Closed block of business" means a block of business for which an  
insurer ceases to actively market and sell new contracts under a particular policy  
form in this state.

(b) The commissioner of commerce and insurance is directed to consider,  
including reviewing whether other states may have enacted legislation concerning, the  
manner in which health insurance carriers establish and market a block of business and  
the effect on the health insurance, including additional costs for the premium rate  
increases, to those persons who remain in such block of business when such block  
becomes a closed block of business.

(c) In looking at this issue the commissioner should at least consider the  
following issues:

(1) Whether and to what extent the health insurance carrier should be  
required to pool the experience of that closed block of business with all its blocks

of individual comprehensive major medical business in this state that are closed, for the purpose of determining the percentage premium rate increase of any contract, policy, or certificate of coverage within the closed block of business;

(2) Whether a mechanism could or should be created to permit any person who remains in the closed block of business to move to or be included in a new block of business marketed and sold by the health insurance carrier without any loss of coverage or imposition of any preexisting conditions to the insureds in the closed block of business; and

(3) Any other issues the commissioner believes should be included in the study.

(d) The commissioner shall report the results of the investigation, together with any recommendations for legislative changes, if any, involving the marketing of blocks of business, to the commerce committee of the house of representatives and the commerce, labor and agriculture committee of the senate no later than February 1, 2010.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.